

## Message Text

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16

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01

CEQ-01 OFA-01 EPA-04 IO-10 NSF-02 XMB-04 /128 W

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R 252053Z JUN 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6823

INFO AMCONSUL VANCOUVER

AMEMBASSY LONDON

UNCLAS OTTAWA 2395

E.O. 11652: N/A

TAGS: SENV, CA, ENRG

SUBJECT: LOCAL PRESS REPORTS BRITISH TO FINANCE

REFINERY IN B.C.

1. THE LOCAL PRESS HAS GIVEN CONSIDERABLE COVERAGE TO B.C. PREMIER BARRETT'S VISIT TO LONDON WHERE HE IS SEEKING BRITISH ENGINEERING AND FINANCES FOR B.C.'S PROPOSED \$350 MILLION OIL REFINERY. ON JUNE 25 IT WAS REPORTED THAT BARRETT SUCCEEDED IN CONVINCING THE BRITISH GOVERNMENT TO LEND FUNDS AT COMPETITIVE RATES IF BRITISH EQUIPMENT IS USED. IF THIS EQUIPMENT IS COMPETITIVE IN PRICE, DELIVERY DATE AND QUALITY, "WE ARE GIVING BRITAIN FIRST CHANCE TO PROVIDE WHAT WE NEED... FINANCING ASPECTS ARE A CONSIDERATION," SAID PREMIER BARRETT.

2. ONE ARTICLE IN OTTAWA JOURNAL ENTITLED "GAMBLING IN CUT-THROAT GAME --B.C. GROPES FOR NEW REFINERY" RAISES INTERESTING QUESTIONS REGARDING SUPPLY OF CRUDE. IN THE EVENT OF A SHORTAGE OF ALBERTA OIL SUPPLY, REPORT UNCLASSIFIED

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CLAIMS THAT "THE B.C. PETROLEUM COMMISSION IS GOING

TO TRY TO GET PREFERENTIAL TREATMENT FOR THE B.C. REFINERY, WITH PRIVATE REFINERIES IN B.C. HAVING TO ABSORB ANY DOMESTIC OIL SHORTAGE." THE ARTICLE GOES ON TO POINT OUT THAT THE PROBLEM IS NOT THAT EASILY RESOLVED AND THAT PLANS ARE TO INCLUDE A SPECIAL HYDRO-CRACKING UNIT THAT WILL ALLOW THE REFINERY TO SWITCH TO ANOTHER OIL IF ALBERTA OIL RUNS SHORT. "IN FACT, THE REFINERY COULD END UP BEING THE ONLY ONE CAPABLE OF PROCESSING ALASKAN OIL." ARTICLE CONCLUDES THAT B.C. "REMAINS A NAIVE, SIMPLISTIC MAVERICK, TRYING TO JOIN THE OIL JUNGLE IT HAS SO LONG OPPOSED," AND MAY WELL HAVE TO END UP TAKING OFFSHORE OIL OR CLOSE DOWN.

2. COMMENT: BARRETT'S EFFORTS IN LONDON RAISE INTERESTING QUESTIONS REGARDING CANADIAN ENVIRONMENTAL CONCERNNS IN PUGET SOUND. GOC HAS CONSISTENTLY INDICATED THAT A B.C. REFINERY SHOULD BE NO CAUSE FOR CONCERN SINCE IT WOULD USE ALBERTA OIL, BUT AS PLANS FOR THE REFINERY PROCEED, IT IS EVIDENT THAT CANADIAN ASSURANCES MAY NOT BE AS SOLID AS THEY SEEM.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, LOANS, REFINERIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
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**Page Count:** 2  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 MAR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 MAR 2003 by PhilliR0>; APPROVED <10 MAR 2004 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** LOCAL PRESS REPORTS BRITISH TO FINANCE  
**TAGS:** SENV, ENRG, CA, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006